

HOUSE BILL 1199

C5

2lr0608

By: **Delegates Carr, Frush, Niemann, and B. Robinson**

Introduced and read first time: February 10, 2012

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Gas Companies – Gas Line Leaks and Repairs**

3 FOR the purpose of requiring the Public Service Commission to adopt certain
4 regulations to classify certain natural gas leaks and to require certain gas
5 companies to remediate and monitor those leaks in a certain manner; requiring
6 the regulations to establish a certain penalty; prohibiting a gas company from
7 passing a certain penalty to customers; requiring a gas company to respond to a
8 report of certain gas leaks in a certain manner; requiring a gas company to
9 receive and promptly investigate certain reports; providing that a gas company
10 is liable for certain damage under certain circumstances; establishing a
11 rebuttable presumption concerning certain confirmed gas leaks and certain
12 damage; requiring a gas company to report on certain unaccounted for natural
13 gas and prohibiting collection of certain costs; authorizing the Commission to
14 issue certain orders under certain circumstances; providing that penalties under
15 this Act are in addition to certain other provisions; defining certain terms; and
16 generally relating to gas companies and gas leaks.

17 BY adding to

18 Article – Public Utilities

19 Section 7–801 through 7–807 to be under the new subtitle “Subtitle 8. Natural
20 Gas Leaks”

21 Annotated Code of Maryland

22 (2010 Replacement Volume and 2011 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
24 MARYLAND, That the Laws of Maryland read as follows:

25 **Article – Public Utilities**

26 **SUBTITLE 8. NATURAL GAS LEAKS.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 7-801.

2 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED.

4 (B) "GRADE 1 LEAK" MEANS A NATURAL GAS LEAK THAT IS CURRENTLY
5 OR IMMINENTLY HAZARDOUS TO A PERSON OR TO A STRUCTURE.

6 (C) "GRADE 2 LEAK" MEANS A NATURAL GAS LEAK THAT:

7 (1) IS NOT A GRADE 1 LEAK; BUT

8 (2) IS:

9 (I) LIKELY TO BECOME HAZARDOUS TO A PERSON OR TO A
10 STRUCTURE IN THE FUTURE; OR

11 (II) LOCATED WITHIN THE DRIP LINE OR ROOT ZONE OF A
12 TREE.

13 (D) (1) "GRADE 3 LEAK" MEANS A NATURAL GAS LEAK THAT:

14 (I) IS NOT A GRADE 1 LEAK OR GRADE 2 LEAK; BUT

15 (II) IS HAZARDOUS TO PROPERTY, INCLUDING TREES AND
16 OTHER VEGETATION, OTHER THAN A STRUCTURE.

17 (2) "GRADE 3 LEAK" INCLUDES A NATURAL GAS LEAK THAT
18 MAKES A TREE OR OTHER VEGETATION MORE SUSCEPTIBLE TO OTHER
19 HAZARDS.

20 (E) "GRADE 4 LEAK" MEANS A NATURAL GAS LEAK THAT:

21 (1) IS NOT HAZARDOUS TO A PERSON, STRUCTURE, OR PROPERTY;
22 AND

23 (2) IS EXPECTED BY THE GAS COMPANY OR OTHER PERSON
24 INSPECTING THE SUSPECTED LEAK TO REMAIN NOT HAZARDOUS.

25 7-802.

1 **(A) ON OR BEFORE MARCH 1, 2013, THE COMMISSION SHALL ADOPT**
2 **REGULATIONS:**

3 **(1) ESTABLISHING CLASSES OF NATURAL GAS LEAKS BASED ON**
4 **THE POTENTIAL HAZARD A LEAK POSES TO A PERSON, A STRUCTURE, OTHER**
5 **PROPERTY, AND THE ENVIRONMENT IN ACCORDANCE WITH THIS SUBTITLE; AND**

6 **(2) REQUIRING A GAS COMPANY TO:**

7 **(I) REMEDIATE EACH CLASS OF LEAK WITHIN A**
8 **PRESCRIBED TIME FRAME; AND**

9 **(II) CONDUCT FOLLOW-UP MONITORING ON A PRESCRIBED**
10 **BASIS.**

11 **(B) THE REGULATIONS ADOPTED BY THE COMMISSION SHALL:**

12 **(1) REQUIRE A GAS COMPANY TO REMEDIATE:**

13 **(I) A GRADE 1 LEAK IMMEDIATELY;**

14 **(II) A GRADE 2 LEAK WITHIN 6 MONTHS; AND**

15 **(III) A GRADE 3 LEAK WITHIN 36 MONTHS;**

16 **(2) ESTABLISH A PENALTY FOR FAILING TO COMPLY WITH THE**
17 **NATURAL GAS REPAIR SCHEDULE PRESCRIBED IN THE REGULATIONS; AND**

18 **(3) ESTABLISH OTHER REQUIREMENTS FOR INSPECTION,**
19 **MAINTENANCE, AND RELATED MATTERS THAT THE COMMISSION CONSIDERS**
20 **NECESSARY OR PRUDENT TO CARRY OUT THIS SUBTITLE.**

21 **(C) A GAS COMPANY MAY NOT PASS ON TO CUSTOMERS A PENALTY**
22 **ASSESSED FOR A VIOLATION OF REGULATIONS UNDER SUBSECTION (B)(2) OF**
23 **THIS SECTION.**

24 **7-803.**

25 **(A) A GAS COMPANY SHALL PROMPTLY RESPOND TO ANY REPORT OF A**
26 **SUSPECTED GAS LEAK, INCLUDING A REPORT OF A GAS ODOR OR DAMAGE TO A**
27 **PERSON, A STRUCTURE, OR OTHER PROPERTY FROM A GAS LEAK.**

1 **(B) A GAS COMPANY SHALL RECEIVE AND PROMPTLY INVESTIGATE A**
2 **REPORT OF A SUSPECTED GAS LEAK FROM A GOVERNMENTAL UNIT, THE OWNER**
3 **OF AFFECTED PROPERTY, OR THE AGENT OF THE OWNER IN THE SAME MANNER**
4 **AS THE GAS COMPANY WOULD RESPOND TO A REPORT GENERATED FROM**
5 **WITHIN THE GAS COMPANY.**

6 **7-804.**

7 **(A) A GAS COMPANY IS LIABLE FOR DAMAGE TO STRUCTURES AND**
8 **OTHER PROPERTY, INCLUDING DAMAGE TO TREES AND OTHER VEGETATION,**
9 **FROM A NATURAL GAS LEAK IN A DISTRIBUTION LINE OF THE GAS COMPANY.**

10 **(B) THE LIABILITY OF A GAS COMPANY UNDER THIS SECTION INCLUDES**
11 **THE PRUDENTLY INCURRED COSTS OF:**

12 **(1) INSPECTION FOR, AND REPORTING OF, GAS LEAKS FROM THE**
13 **GAS COMPANY'S DISTRIBUTION LINES; AND**

14 **(2) WITH RESPECT TO DAMAGE TO A TREE OR OTHER**
15 **VEGETATION:**

16 **(I) AN ARBORIST;**

17 **(II) AN APPRAISER;**

18 **(III) REMOVING AND DISPOSING OF THE TREE OR**
19 **VEGETATION; AND**

20 **(IV) SUBJECT TO STANDARDS AND LIMITS THE COMMISSION**
21 **ADOPTS BY REGULATION, THE GREATER OF REPLACEMENT OF THE DAMAGED**
22 **TREE OR VEGETATION OR THE APPRAISED VALUE OF THE DAMAGED TREE OR**
23 **VEGETATION.**

24 **(C) THERE IS A REBUTTABLE PRESUMPTION THAT THE CONFIRMED**
25 **PRESENCE OF A GRADE 1 LEAK, GRADE 2 LEAK, OR GRADE 3 LEAK IN CLOSE**
26 **PROXIMITY TO A DAMAGED TREE OR OTHER VEGETATION HAS CAUSED THE**
27 **DAMAGE TO THE TREE OR OTHER VEGETATION.**

28 **7-805.**

29 **THE COMMISSION SHALL:**

1 **(1) REQUIRE EACH GAS COMPANY TO REPORT EACH YEAR ON THE**
2 **AMOUNT OF NATURAL GAS THAT IS UNACCOUNTED FOR; AND**

3 **(2) PROHIBIT A GAS COMPANY FROM PASSING ON TO CUSTOMERS**
4 **THE COST OF NATURAL GAS THAT IS UNACCOUNTED FOR.**

5 **7-806.**

6 **IN ADDITION TO ADOPTING REGULATIONS TO CARRY OUT THIS SUBTITLE,**
7 **THE COMMISSION MAY ISSUE ORDERS SPECIFYING PARTICULAR**
8 **REQUIREMENTS FOR INSPECTION, MAINTENANCE, AND PROPERTY DAMAGE**
9 **PROCEDURES FOR A PARTICULAR GAS COMPANY IN ITS SERVICE TERRITORY.**

10 **7-807.**

11 **THE PENALTIES AUTHORIZED UNDER THIS SUBTITLE ARE IN ADDITION TO**
12 **THE PENALTIES AND ENFORCEMENT PROVISIONS OF TITLE 13 OF THIS**
13 **ARTICLE.**

14 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
15 **October 1, 2012.**